

News from the

**U.S. Senate Committee on
Health, Education, Labor and Pensions**

Michael B. Enzi (Wyoming), Chairman



For Immediate Release

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***CONGRESS SENDS PRESIDENT BILL THAT WILL HELP CHRONICALLY
ILL AFFORD COMPREHENSIVE HEALTH COVERAGE***

Washington, D.C. - U.S. Senator Mike Enzi (R-WY), Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee today said the Senate has approved the "State High Risk Pool Funding Extension Act of 2005," which will extend seed money and operational funding to support state-based programs to maintain health insurance pools for high-risk individuals who, because of their health problems, cannot find coverage in the private insurance market. The bill now awaits the President's signature.

"This bill will extend and improve a program that has helped thousands of medically vulnerable Americans maintain lifesaving health coverage and avoid potentially devastating financial ruin," Enzi said. "It will also help keep these individuals out of costly and financially beleaguered Medicaid programs.

"This proves that there are areas where we can find bipartisan agreement on healthcare, and I look forward to continuing forward in this spirit in 2006."

The bill, H.R. 4519, increases authorization for grants to existing risk pool programs from \$40 million to \$75 million per year through 2010. It would also extend through 2006, authorization for \$15 million annually for seed grants to states without risk pools that wish to establish them. Under this program, states would be eligible for grants

of up to \$1 million for the creation and initial operation of a risk pool. \$90 million in funding for Fiscal Year 2006 was included in the budget reconciliation bill the House passed today.

The bill was approved by the Senate and the House on Wednesday. The Senate version of the bill, S. 288, which the HELP Committee passed early last year, was sponsored by Senator Judd Gregg (R-NH) and Senator Max Baucus (D-MT). H.R. 4519 was sponsored by Congressman John Shadegg (R-AZ).

“I commend Senators Gregg and Baucus for sponsoring this important legislation, and to the HELP Committee’s Ranking Member, Senator Kennedy (D-MA), and Senator Durbin (D-IL) for their hard work and commitment. I also applaud Congressmen Shadegg, Edolphus Towns (D-NY), Joe Barton (R-TX), and John Dingell (D-MI) for their great efforts and bipartisanship,” Enzi added.

Key provisions of H.R. 4519 include:

- **Establishing seed money to help states establish high risk pools** -- The bill provides \$15 million in grants for FY 2006 for states wishing to establish new risk pools.
- **Providing grants to states with existing high risk pools** -- The bill also increases and extends funding to states with existing high risk pools by providing \$75 million annually for FYs 2006 through 2010, up from the current \$40 million annually. Two-thirds of amounts appropriated can be used to offset costs of operating the pool. One-third of the amount can be used to provide better consumer benefits, such as lowered premiums, improved coverage, or disease management.
- **Creating greater flexibility in state use of allocated funds and a more equitable funding allocation** – Forty percent of the funding is allocated equally among eligible states; 30 percent is based on the proportion of uninsured individuals in a state; and 30 percent is based on enrollment in a state’s high risk pool.

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